

LAWLER, METZGER, MILKMAN & KEENEY, LLC

2001 K STREET, NW
SUITE 802
WASHINGTON, D.C. 20006

RUTH MILKMAN
PHONE (202) 777-7726

PI-IONE (202) 777-7700
FACSIMILE (202) 777-7763

May 11, 2007

Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: *Ex Parte* Notice: *Telecommunication Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* – CG Docket No. 03-123

Dear Ms. Dortch:

On May 10, 2007, Mike Maddix of Sorenson Communications, Inc. (“Sorenson”); Ruth Milkman and Richard Metzger of Lawler, Metzger, Milkman & Keeney, LLC, counsel for Sorenson; and Cheryl Parrino, a consultant to Sorenson, met with Cathy Seidel, Jay Keithley, Tom Chandler, Pam Slipakoff and Greg Hlibok of the FCC’s Consumer and Governmental Affairs Bureau. During the meeting, Sorenson discussed the interstate telecommunications relay services (“TRS”) fund payment formulas and fund size estimates for the 2007-08 rate year that were submitted to the FCC by the National Exchange Carrier Association (“NECA”) on May 1, 2007.¹

Specifically, Sorenson made five main points. First, of the twenty-four rates proposed by NECA for video relay service (“VRS”), the only rates the Commission should consider, as a matter of law and policy, are those based on provider-submitted projections of costs and demand. Second, the Commission should consider NECA’s proposed disallowances of provider-submitted costs on a case-by-case basis. In Sorenson’s case, the Commission should reject NECA’s proposal to exclude Sorenson’s projected costs for interpreter training because those costs are both reasonable under the FCC’s rules and

¹ *Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate*, attached to Letter from John Ricker, NECA, to Marlene Dortch, FCC, CG Docket No. 03-123 (May 1, 2007); *see also National Exchange Carrier Association (NECA) Submits the Payment Formula and Fund Size Estimate for the Interstate Telecommunications Relay Services (TRS) Fund for the July 2007 through June 2008 Fund Year*, Public Notice, CG Docket No. 03-123, DA 07-1978 (rel. May 2, 2007).

necessary to advance the goals of the Americans with Disabilities Act (“ADA”). Third, both the ADA and sound public policy dictate that the Commission should reject any NECA proposal that excludes providers’ reasonable projections of outreach and marketing costs. Fourth, NECA’s proposal to base the VRS rate on providers’ projected costs and NECA’s projected demand is unsound because it fails to adjust total provider costs upward to account for the greater demand projected by NECA; if the Commission were to adopt this approach, it should, at a minimum, increase providers’ variable costs, such as interpreter costs, to reflect the increase in demand projected by NECA. Fifth, the Commission should reject NECA’s proposals to base the VRS rate on providers’ historical allowable costs; those costs are not a good predictor of 2007-08 costs, given the change in speed-of-answer requirements, the advent of interoperability, and the shortage of qualified interpreters.

Pursuant to the Commission’s rules, this letter is being submitted for inclusion in the public record of the above-referenced proceeding.

Sincerely,

/s/ Ruth Milkman
Ruth Milkman

cc: Tom Chandler
Greg Hlibok
Jay Keithley
Cathy Seidel
Pam Slipakoff